

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

Blue Cross and Blue Shield of Minnesota,
et al.,

Civil No. 11-2529 (DWF/KMM)

Plaintiffs,

vs.

STIPULATION

Wells Fargo Bank, N.A.,

Defendant.

THE PARTIES HEREBY STIPULATE AND AGREE THAT:

1. On or about January 9, 2015, Wells Fargo sold the remaining collateral assets of the Jennie Edmundson Memorial Hospital Pension Plan (“Jennie Edmundson”) and received \$39,098.12 in sales proceeds. On or about February 22, 2015, Jennie Edmundson exited the Wells Fargo Securities Lending Program (“the Program”).

2. Jennie Edmundson paid \$57,069.49 to exit the Program.

3. On or about January 9, 2015, Wells Fargo sold the remaining collateral assets of the Meijer Pension Trust (“Meijer”) and received \$2,460,622.82 in sales proceeds. On or about January 27, 2015, Meijer exited the Program.

4. Meijer paid \$2,728,864.04 to exit the Program.

5. On or about June 6, 2014, Wells Fargo sold the remaining collateral assets of the Tuckpointers Local 52 Health and Welfare Fund and Tuckpointers Local 52 Pension Fund (collectively referred to herein as (“Tuckpointers”) and received \$540,941.56 in sales proceeds. On or about June 12, 2014, Tuckpointers exited the Program.

6. Tuckpointers paid \$704,294.30 to exit the Program.

7. On or about January 9, 2015, Wells Fargo sold the remaining collateral assets of the Twin City Hospitals-Minnesota Nurses Association Pension Plan (“TC-MNA”) and received \$463,986.71 in sales proceeds. On or about January 27, 2015, TC-MNA exited the Program.

8. TC-MNA paid \$1,115,900.65 to exit the Program.

9. Between April 1, 2013 and January 9, 2015, Twin City Hospitals Licensed Practical Nurses Pension Plan (“TC-LPN”) received \$8,468.24 in principal and interest payments from their collateral assets. On or about January 9, 2015, Wells Fargo sold the remaining collateral assets of the TC-LPN for \$5,493.61 in sales proceeds.

10. After these amounts are subtracted from the amount TC-LPN paid to exit the Program, \$2,943.15 has not been recovered.

11. International Truck Retiree Trust (“International Truck”) exited the Program in the summer of 2011 and paid \$8,482,597 to exit the Program. Since it exited the Program, International Truck has held the collateral assets in an account with Comerica.

12. Given additional cash disbursements that International Truck had received from the collateral assets by the time of the parties’ bench trial in 2013, \$6,980,072 of its exit payment had not been recovered at the time of trial.

13. From April 1, 2013 through July 31, 2017, International Truck and Engine Supplemental Benefit Plan (“International Truck”) received \$2,957,423.58 in principal and interest payments from their collateral assets. Specifically, International Truck received the following principal and interest payments:

- a. Gryphon: \$535,408.72;
- b. VFNC: \$408,731.22;
- c. Lehman: \$1,057,092.65; and
- d. Asset-Backed Securities: \$956,190.99.

14. When International Truck's amount not yet recovered at the time of trial (\$6,980,072) is reduced by the post-trial principal and interest payments, \$4,022,648.42 of its exit payment has not been recovered.

15. The following chart accurately reflects the issuer, cusip, units, unit price, and market value appearing on the Comerica statements for International Truck's collateral account as of July 31, 2017 (as of October 31, 2016 for cusip 55352RAA6) for the collateral assets maintained by International Truck. The parties agree that the information below, including the "market value" valuations, appear on the International Truck's Comerica statements, but International Truck does not stipulate to the accuracy or admissibility of these valuations:

Issuer	Cusip	Units	UNIT PRICE	MARKET VALUE
Bear Stearns Mortgage Funding Trust	07401VAA9	89051.30	\$90.5564	\$80,641.64
Countrywide Alternative Loan Trust	02150TAA8	100455.95	\$89.0443	\$89,450.29
Countrywide Home Equity Loan Trust	1266715W2	2733.75	\$95.0656	\$2,598.86
Countrywide Home Loan Mortgage Pass Through Trust	12669GJB8	21489.76	\$87.5682	\$18,818.19
Countrywide Home Loan Mortgage Pass Through Trust	12669GNP2	13432.97	\$89.0957	\$11,968.19
Countrywide Home Loan Mortgage Pass Through Trust	12669GPT2	30470.81	\$89.7352	\$27,343.04
GMAC Mortgage Corp Loan Trust	361856EH6	60157.11	\$109.5155	\$65,881.35
Greenpoint Home Equity Loan Trust	395385AZ0	775.30	\$95.0870	\$737.21
Gryphon Funding Limited	40052TAA7	881,544.24	\$38.0000	\$334,986.81
GSAMP Trust	362341TM1	8996.65	\$99.6581	\$8,965.89
Harborview Mortgage Loan Trust	41161PSK0	26781.65	\$97.7178	\$26,170.45
Indymac Index Mortgage Loan Trust	45661EAV6	99687.86	\$91.0725	\$90,788.26
Lehman Brothers Holdings Inc	525ESC0X8	734909.00	\$6.1000	\$44,829.45
Lehman Brothers Holdings Inc	525ESC1K5	734909.00	\$6.1000	\$44,829.45
Lehman Brothers Holdings Inc	525ESC2J7	293963.00	\$6.1500	\$18,078.72
Lehman Brothers Holdings Inc	525ESC2L2	1535843.00	\$6.1000	\$93,686.42
MLCC Mortgage Investors Inc	59020UAR6	6857.44	\$96.3204	\$6,605.12
MSDWCC Heloc Trust	55352RAA6	29788.31	\$99.4697	\$29,630.35
Residential Accredit Loans Inc	75116AAA8	129321.87	\$60.8098	\$78,640.37
Sequoia Mortgage Trust	81743SAA8	7734.09	\$94.8408	\$7,335.07
Structured Adjustable Rate Mortgage Loan Trust	863579YU6	23429.14	\$98.2271	\$23,013.75
VFNC Corp	CB0000375	333,515.50	\$58.5000	\$195,106.57
Wachovia Asset Securitization Inc	92976YAA0	95385.14	\$86.9876	\$82,973.23
Washington Mutual Alternative Mortgage Pass-Through Certificates	93935FAA9	26006.39	\$83.0144	\$21,589.06
Washington Mutual Inc	92922FJ25	18891.18	\$95.3969	\$18,021.60

16. As of July 31, 2017, International Truck's statements from Comerica include what the statements describe as a market value of International Truck's collateral assets totaling \$1,422,689.35.

17. Blue Cross Blue Shield of Minnesota Pension Equity Plan's ("Blue Cross") exited the Program in April 2008 and paid \$444,995 to exit the Program. Blue Cross did not receive collateral assets when it exited.

18. Wells Fargo earned \$132,336 in securities lending earnings from Blue Cross' securities lending participation from September 2000 through March 2008.

19. Wells Fargo earned \$12,035.67 in securities lending earnings from Jennie Edmundson's securities lending participation from July 2002 through February 2015.

20. Wells Fargo earned \$549,956.10 in securities lending earnings from Meijer's securities lending participation from July 2006 through January 2015.

21. Wells Fargo earned \$24,378.40 in securities lending earnings from Tuckpointers' securities lending participation from March 2007 through June 2014.

22. Wells Fargo earned \$244,681.57 in securities lending earnings from TC-MNA's securities lending participation from August 2004 through January 2015 and TC-LPN's securities lending participation from August 2004 through October 2010, combined.

23. Wells Fargo earned \$769,520 in securities lending earnings from International Truck's securities lending participation from January 2003 through June 2011.

24. BCBS paid Wells Fargo \$633,486.44 in custody fees from September 2000 through March 2008.

25. Jennie Edmundson paid Wells Fargo \$410,044.18 in custody fees from July 2002 through February 2015.

26. Meijer paid Wells Fargo \$ 2,736,173.64 in custody fees from July 2006 through January 2015.

27. Tuckpointers paid Wells Fargo \$242,880.54 in custody fees March 2007 through June 2014.

28. TC-MNA paid Wells Fargo \$2,298,218.43 in custody fees from August 2004 through January 2015.

29. TC-LPN paid Wells Fargo \$195,301.47 in custody fees from August 2004 through October 2010.

30. International Truck paid Wells Fargo \$2,620,180 in custody fees from January 2003 through June 2011.

31. The parties agree that these custody fee numbers include the custody fees that the ERISA Plaintiffs paid to Wells Fargo from all of their custodial accounts.

32. Nothing herein shall be deemed as an admission by Plaintiffs that the valuations appearing as the “market value” of International Truck’s collateral assets on the statements from Comerica are accurate, admissible, or relevant in any way to Plaintiffs’ claims for equitable remedies under ERISA law. *See* 29 U.S.C. § 1109(a).

33. Nothing herein shall be deemed as an admission by Wells Fargo that Plaintiffs are entitled to any equitable or remedial relief. Nor shall anything herein be deemed an

admission that Plaintiffs' investment losses, Wells Fargo's securities lending earnings, and Plaintiffs' custody fees discussed herein are relevant in any way to Plaintiffs' claims for equitable or remedial relief.

STIPULATED AND AGREED TO BY:

Dated: October 18, 2017

ROBINS KAPLAN LLP

/s/Katherine S. Barrett Wiik
Munir R. Meghjee (#301437)
Katherine S. Barrett Wiik (#351155)
2800 LaSalle Plaza
800 LaSalle Avenue
Minneapolis, MN 55402-2015
mmeghjee@robinskaplan.com
kbarrettwiik@robinskaplan.com
612-349-8500

ATTORNEYS FOR ERISA PLAINTIFFS

STIPULATED AND AGREED TO BY:

Dated: October 18, 2017

ZELLE LLP

/s/Lindsey A. Davis
Dan Millea (MN State Bar #245963)
Lindsey A. Davis (MN State Bar #0332148)
Rory D. Zamansky (MN State Bar #0330620)
500 Washington Avenue South, Suite 4000
Minneapolis, MN 55415
dmillea@zelle.com
ldavis@zelle.com
rzamansky@zelle.com
Phone: (612) 339-2020

-and-

PROSKAUER ROSE LLP

Bart H. Williams (admitted *pro hac vice*)
Manuel F. Cachán (admitted *pro hac vice*)
2049 Century Park East

Los Angeles, CA 90067-3206
BWilliams@proskauer.com
MCachan@proskauer.com
Phone: (310) 557-2900

**ATTORNEYS FOR WELLS FARGO
BANK, N.A.**

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